



State of California

# Employment Training Panel

Arnold Schwarzenegger, Governor

June 18, 2009

Michelle Castellano, Human Resources  
Mellano Enterprises, Inc.  
734 Wilshire Road  
Oceanside, CA 92057

Dear Ms. Castellano:

RE: **FINAL MONITORING REPORT** for Mellano Enterprises, Inc. (Mellano) – ET07-0393

<b>Date of the Visit:</b>	06/10/09
<b>Beginning/Ending Time:</b>	3:00 p.m. – 3:30 p.m.
<b>Date of Last Visit:</b>	01/28/09
<b>Visit Location:</b>	Via teleconference
<b>Persons in attendance:</b>	Michelle Castellano, Human Resources, Mellano; Carole Fouse, Human Resources, Mellano, and Carole Robinson, ETP Contract Analyst.
<b>Action Required:</b>	No

## **CONTRACT INFORMATION:**

<b>Term of Agreement:</b>	06/05/07 – 06/04/09	<b>Agreement Amount:</b>	\$153,900
<b>Training Start Date:</b>	06/13/07	<b>No. to Retain:</b>	75
<b>Date Training must be Completed:</b>	03/03/09	<b>Range of Hours:</b>	24 - 200
<b>Type of Trainee:</b>	Retrainee	<b>Weighted Ave. Hours:</b>	114

## **FINAL REPORT SUMMARY:**

### **• HISTORY OF AGREEMENT CHANGES**

The Agreement was executed on 06/21/07 and training began on 06/13/07. You reported that all training was completed on 03/03/09, which allowed for the 90-day retention period to be completed within the term ending date of the Agreement (06/04/09).

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[www.etp.ca.gov](http://www.etp.ca.gov)  
ETP (04/15/05)

There were no Revision Requests made during the term of the Agreement.

- **INTERVIEW WITH COMPANY REPRESENTATIVE**

You reported no major difficulties with the administration of the Agreement and stated that overall; your experience with this ETP funded training project was “wonderful”. You informed Ms. Robinson that Mellano proposed a training plan during development that was somewhat unrealistic given the number of planned class/lab hours and the need to pull employees away from their normal duties to attend sessions. You reported the company “bit off more than we could chew” during the development process and later realized the training plan was too ambitious. During this final visit, you also reported that Mellano closed down its operations in San Bernardino although eligible trainees in this location completed training and the 90-day retention prior to its closure. In addition, four of the five fulltime workers in San Bernardino relocated to either Mellano’s Los Angeles or San Diego locations.

You informed Ms. Robinson that class/lab sessions delivered under this Agreement helped Mellano get through some rough economic periods over the past two years by focusing on making the company operations more efficient at the frontline production level. You stated that “once the training got into a groove” and a company culture of training attendance became emphasized, workers benefited by gaining valuable new job-related skills to retain customers and streamline many company operations. You informed Ms. Robinson that Mellano has completed an on-line pre-application for a second ETP Agreement that would be geared toward finishing training that could not be delivered in this Agreement and moving toward accomplishing implementation of more lean operations. Because Mellano has less than 100 fulltime employees worldwide, the proposed Agreement will under ETP’s small business program with a request for less than \$75K.

According to ETP records at the time of this final meeting, Mellano retained 48 employees (64% of planned retentions). The company will potentially earn a total reimbursement of \$80,892 (53 percent of the encumbered amount) provided all other terms and conditions of the Agreement are met. Current records show that Mellano has submitted two invoices for unearned progress payments totaling \$19,494. Ms. Robinson reminded you that the closeout invoice should be submitted no later than 30 days after the end term date of the Agreement (07/03/09). She also informed you that ETP’s Help Desk is available to assist you with ETP on-line invoicing processes.

**PROJECT STATUS PROVIDED BY THE CONTRACTOR:**

<b>Trainees Enrolled:</b>	82	<b>Completed Training:</b>	48
<b>Dropped Following Enrollment:</b>	34	<b>Completed Retention:</b>	*Unk
<b>No. Completed Minimum Reimbursable Hours :</b>	48	<b>In Retention Period:</b>	0

\* Because some of the 48 trainees who completed training may not meet all of the terms and conditions of the Agreement, the actual number to be submitted for Final Payment is unknown as of the date of this Final Monitoring report.

**SUBAGREEMENTS:**

You reported that all training was either delivered by in-house trainers (employees of Mellano) or training subagreements were provided to Ms. Robinson during previous Monitoring Visits.

**AUDIT:**

Mellano will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk audit (or “review”). These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit confirmation letters. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

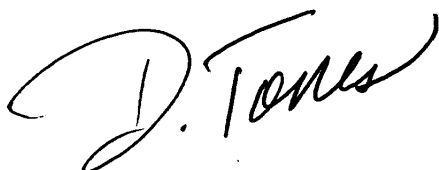
- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

**RECORD RETENTION:**

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding the information contained in this letter, please contact Carole Robinson at (619) 686-4971, within ten (10) working days from the receipt date of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Torres", with a stylized flourish at the end.

Diana Torres, Manager  
San Diego Field Office

A handwritten signature in cursive script that reads "Carole Robinson". The signature is written in black ink and is positioned above the printed name and title.

Carole Robinson, Contract Analyst  
San Diego Field Office

cc: Kulbir Mayall, Manager, ETP Fiscal Unit  
Master File  
SD Project File

Date report e-mailed to Contractor: 06/22/09